three years was Rs. 13880 Crores as on 31.3.1994.

(c) and (d) Yes Sir. IBRD loans carry commitment charge of 0.75 per cent on undisbursed amount and a rebate of 0.5 per cent is, however, permitted for timely repayment of these loans. At present no commitment charges are levied on IDA credit.

Malhotra Committee's Recommendations

1151. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 80 given in the Rajya Sabha on 14th February, 1995 and state:

(a) on which date the Malhotra Committee was appointed;

(b) when the Committee submitted its report to Government and what are the details of its recommendations;

(c) what action has been taken by Government on each of the recommendations contained in the report; and

(d) if no decision has so far been taken, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The Malhotra Committee was appointed on 7th April, 1993.

(b) The Committee submitted its report to the Government on 7th January, 1994. The list of major recommendations of the Malhotra Committee is enclosed as Statement (See below).

(c) and (d) The report of the Malhotra Committee is under consideration of the Government.

Statement

Major recommendations of the Committee on reforms in Insurance Sector

(1) There is an urgent need to activate the insurance regulatory apparatus even in the present set-up of nationalised insurance sector. For this purpose, and as an interim measure, the office of Controller of Insurance should be restored its full functions under the Insurance Act and it should be set up as a separate office as a matter of high priority. Meanwhile, steps should be initiated for the establishment of a strong and effective insurance regulatory authority in the form of a statutory autonomous board on the lines of SEBI.

(2) LIC which is a statutory corporation should be converted into a company registered under the Companies Act. The present capital of Rs. 5 crores of LIC contributed entirely by the Central Govt. should be raised to Rs. 200 crores with Government holding 50 per cent thereof and the remainder being held by public at large reserving a suitable portion for LIC employees.

(3) The Central Office of the LIC should concentrate on policy formation, investment, product development, actuarial valuation, personnel policies, systems development and account of the Corporation. LIC's Zonal Offices should be delegated powers and should become Head Offices for insurance business and related matters in their respective jurisdictions. Zonal Managers should be made members of LIC Board. The process of reorganisation of the Central Office and Zonal Offices should be completed within a period of six months.

(4) The surplus staff at Central Office and Zonal Offices arising out of the restructuring should be re-deployed preferably with the Branches where the impact of growth of business is immediately felt.

(4) GIC should cease to be the holding company of the four subsidiary companies viz New India Assurance Company, United India Insurance Co., National Insurance Company and the Oriental Insurance Company. These should function as independent companies on their own. GIC would function exclusively as a reinsurance company and as the Indian reinsurer under the Insurance Act.

(5) GIC's capital should be raised to Rs. 200 crores, 50 per cent of which should be held by the Government and the remaining by the public at large reserving a suitable portion for GIC employees. To fully delink the subsidiary companies from GIC, Government should acquire the latter's total holding in each of them. The capital of each company should be raised to Rs. 100 crores, with Government holding 50 per cent thereof and the remainder being held by public at large. A suitable proportion should be reserved for employees of the respective companies.

(6) The mandated investment of funds of the Life Insurance and General Insurance companies should be reduced from the present levels of 75 per cent ann 70 per cent to 50 per cent and 35 per cent respectively.

(7) The private sector should be allowed to enter insurance sector. No company should be permitted to transact both life and general insurance business. The number of new entrants should be controlled. The minimum paid-up capital for a new entrant should be Rs. 100 crores. The promotors holding could range from 26 per cent to 40 per cent of the paid-up capital. No person other than promotors can hold more than 1 per cent of the equity. If and when entry of foreign insurance companies is permitted, they should be required to float an Indian company for the purpose preferably as joint venture with Indian partner. Before the private sector is allowed to enter the insurance field, the Controller of Insurance should start functioning effectively.

(8) One co-operative society in each state might be permitted to transact life insurance business. Postal Life Insurance should be permitted to transact life insurance business in rural areas.

(9) Requests from the Cooperative institutions at the national and State levels to transact general insurance business may be considered favourably subject to their satisfying the prescribed norms.

(10) New entrants in Life Insurance should be required to transact a certain minimum business in rural areas.

(11) Landless Agricultural Labourer Group Insurance (LALGI) and Integrated Rural Development Programme (IRDP) beneficiaries' schemes relating to life; and, Personal Accident and Social Security (PASS) and Hut Insurance Schemes of general insurance are relief oriented welfare schemes and do not involve any element of insurance. These should be transferred to the concerned Government authorities.

(12) It would be inadvisable to abolish the tariff regime in general insurance at this stage. But the personal lines of covers should be taken off tariff regime at the earliest. The area under tariff should be

progressively reduuced it promote competition and improve underwriting skills in general insurance. Market agreements should be discontinued.

(13) Tariff Advisory Committee (TAC) should be delinked from the GIC and should function as a separate statutory body under such supervision of the insurance regulatory authority as may be necessary without becoming a part thereof.

(14) The system of licensing of surveyors by the Controller of Insurance should be given up and the insurance companies should be free to assign the right surveyor to the right job.

(15) In order to popularise pension scheme, sayings in pension funds should be given special tax relief distinct from the benefits allowed to relatively short term savings. Investment income from pension funds managed by life insurance companies should get tax exemption as is admissible to private person funds managed by the employers.

(16) Comprehensive computerisation in LIC and the general insurance companies for handling business at all levels for developing effective management information system should be undertaken and completed within the next 12 to 18 months.

(17) To reduce litigation, the institution of ombudsman should be set up by the general insurance industry. Claims in personal lines upto Rs. 5 lac in each case may be considered at this forum.

(18) A Committee with appropriate membership may be set up for detailed scrutiny of the existing insurance laws, rules and regulations, for amendments and consolidation, probably in a new insurance law.

Programmes on Doordarshan-II Channel

1152. SHRI V. HANUMANTHA RAO: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) the names of the producers whose programmes were relayed in the afternoons on Doordarshan-II (Metro Channel) under the title 'MTV';

(b) whether these were to be telecast through a satellite channel originally;

(c) if so, the names of the owners of the satellite channels; and

(d) what are the arrangements made by Doordarshan with the owners of these satellite channels for relaying the programmes on Metro Channel under the title 'MTV'?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI K. P. SINGH DEO): (a) M/s. MTV Development Company, New York, USA.

(b) No, Sir.

(c) Does not arise.

(d) MTV programmes on DD-2 are telecast on sponsorship basis.

मध्य प्रदेश में आकाशवाणी और दूरदर्शन प्रसारण केन्द्र

1153. **श्री दिलीप सिंह जूदेव :** क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) मध्य प्रदेश में किन-किन स्थानों पर वर्ष 1994–95 और 1995–96 के दौरान दूरदर्शन और आकाशवाणी के प्रसारण केन्द्र और कार्यक्रम निर्माण